

I want to make the observation that I hope my colleagues will have listened to the gentleman from Georgia, because what he is talking about is people who are desperately in need of the protection he and I seek to provide. I want to point out that what he is seeking to do here is to assure that employers who do not intrude into the every day management of the particular fund that is set up for the health care and for the procurement of health care are absolutely protected against liability. The gentleman is totally correct in that. And the only time that an employer would incur a liability under this legislation is if he had actively intervened against the beneficiary.

And so I want to first commend the gentleman. Second of all, I want to urge my colleagues to listen to him. He has been speaking great wisdom. He has also been speaking of justice and decency and something that the health care industry has not always been providing to the recipients of health care. It is an extremely important point in this legislation.

Honest and decent employers have nothing to fear, and HMOs which have been denying people the health care to which they are entitled under the contract do have something to fear. And, indeed, they should. They are the folks that I happen to be after.

IMPORTANCE OF GOVERNMENT FUNDING OF SCIENCE IN TODAY'S WORLD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. EHLERS) is recognized for 5 minutes.

Mr. EHLERS. Mr. Speaker, I have been giving a series of comments in special orders about the importance of science in today's world, and also the importance of government funding of science, because the question often asked is why should the Federal Government be spending good taxpayers money to conduct scientific research.

One very obvious reason: Over half of the economic growth of this country comes from the scientific research which we have funded in the past. I can give numerous examples, and I have given some in the past, but let me just point out a few tonight.

When computers were first developed, one of the difficulties was how computers could talk to each other. That was resolved fairly readily. But then some bright individuals in the Defense Advance Research Project Agency began wondering how can we network a large number of computers. And then, beyond that, how can we connect the networks so that we have what is really an internet, a connection or a network of networks. That was not easily resolved, but it has had far-reaching implications when it was solved.

The basic method is to create what is called a packet of information that travels along the telephone lines from one computer to another. There is a

certain protocol of what is in that packet, what is at the lead, what is in the middle, what is at the end, so that you can keep track of these. After that was developed, the interest of the Defense Advance Research Project Agency was to tie together all the military laboratories in the United States. That eventually came to include other laboratories. And then the NSF got involved and developed what was called the NSF net, which broadened it to all universities. And that was the basis from which the Internet was developed.

Now, who can question the value of the Internet today? So many people use it for so many purposes, we have trillions of dollars flowing on the Internet every day, indicating the commerce we have between banks and other places. If an individual's check is deposited by electronic fund transfer, that money was probably transferred over the Internet.

I have been told, and I have not had a chance to check this for myself to be certain it is true, but I have been told that there is more money transferred electronically over the Internet each day than we have in the entire Federal budget for a year. That illustrates some of the importance of the Internet for this and for various other purposes.

One little sidelight that might be interesting to my colleagues. As we developed these packets to go on the Internet, someone got the bright idea why not do the same thing with telephone information. In other words, treat voice information just as we treat computer information. So today, when we place a telephone call, our voices are chopped up and put in all these little packets, they travel over telephone lines by various routes, and when they reach their destination they are unscrambled, and no one on either end knows that this has happened. That has greatly increased the capacity of our telephone lines for carrying voice and data transmissions.

Mr. Speaker, I now yield some time to my scientific colleague, the gentleman from New Jersey (Mr. HOLT), who is a fellow physicist. We often work on science issues together. This is obviously a bipartisan issue, and I am pleased to yield to him.

Mr. HOLT. Mr. Speaker, I thank my friend from Michigan. It is a great pleasure to talk about these things. We do not have occasion to talk about them enough here on the floor of the House.

First, I would like to recognize how much the gentleman does in support of science and science education. We all appreciate it.

I would like to just add two comments to what the gentleman talked about. One is the importance of research that we do not necessarily recognize the value of at first. Many of our colleagues here in this chamber, many of our family members have had MRIs, magnetic resonance imaging. Most people do not realize this came out of studies on nuclear magnetic res-

onance, on which I believe the gentleman has worked in the past. This was once regarded as pure research but has turned out to be of very practical value.

The return on investment in science is enormous.

AFFORDABLE PRESCRIPTION DRUGS ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, before I begin my special order on prescription drugs, I yield to the gentleman from New Jersey (Mr. HOLT) if he would like to finish his thought.

Mr. HOLT. Mr. Speaker, I thank my friend and just say that the point I wanted to make was that economists argue about what is the yield on research, the economic yield on dollars spent on research, but they argue about whether it is 20 percent or 30 percent, not whether it is 2 or 3 percent. And it is a sound investment.

Mr. BROWN of Ohio. Reclaiming my time, Mr. Speaker, 2 weeks ago the Office of Personnel Management announced that premiums for the Federal Employees Health Benefit Plan would increase by 9 percent next year, the third straight year of large increases. Last month, final figures were in for the number of seniors that will be dropped from their Medicare managed care plan come January 1: 395,000 elderly Americans. Last year, 400,000 were dropped. Most of the remaining plans are curtailing or eliminating prescription drug benefits.

Those are the numbers. Here are the stories. Last month, I received a letter from a 71-year-old widow in Sheffield Lake, Ohio, who had taken a part-time job to help pay for her prescription drugs. Until United Health Care pulled out of her county and left her without a health plan, she had some drug coverage, but just one of her medications, lipitor, absorbed the entire benefit.

I spoke with a woman recently in Elyria, Ohio, who spends \$350 out of her \$808 monthly Social Security check on prescription drugs.

What is the common thread here? The high cost of prescription drugs. Prescription drug spending in the U.S. increased 84 percent between 1993 and 1998. The American public is right to wonder why we are not doing something about that in this Congress. The truth is, what has held us back is a threat. The drug industry says if we do not leave drug prices alone, they will not produce any new drugs.

I believe it is time we use market forces, and by that I mean good old-fashioned competition, to challenge that threat. We can introduce more competition in the prescription drug market and still foster medical innovation.

We need information to examine the industry's claims that U.S. prices are

where they need to be. I introduced last week a bill, the Affordable Prescription Drug Act, that addresses these issues head on. Drawing from intellectual property laws already in place in the United States for other products in which access is an issue, such as pollution control devices under the Clean Air Act, my bill would establish product licensing for prescription drugs.

If, based on criteria by the Department of Commerce, a drug price is so outrageously high that it bears no resemblance to pricing norms for other industries, the Federal Government could require drug companies to license their patent to generic drug companies. The generic companies could sell competing products before the brand name patent expires, paying the patent holder royalties for that right. The patent holder would still be amply rewarded for being first in the market, and Americans would benefit from competitively driven prices. Drug prices would then come down.

The bill would require drug companies to provide audited, detailed information on drug company expenses. And given that these companies are asking us to accept the status quo, in terms of high drug prices, the status quo that has bankrupted seniors and ignited health care inflation, they have kept us guessing about their true cost for all too long.

This is not some brand new untried proposal. Product licensing works in England. It works in France. It works in Israel. It works in Germany; it has worked in Canada. But there is another part of this issue. Through the National Institutes of Health, American taxpayers finance 42 percent of the research and development that generates new drugs. Private foundations, State and local governments, and other non-industry sources kick in another 11 percent. So the drug industry funds less than half of the research and development of new drugs.

In addition, the dollars that the drug companies do spend on research, the U.S. Congress has bestowed generous tax breaks on those dollars for the drug companies. At the same time, drug prices in the United States are twice or three times or four times what they are in every other country in the world.

So get this. Half the cost of prescription drug research and development is borne by U.S. taxpayers. U.S. taxpayers then give tax breaks for the money that they do spend for the research on prescription drugs by the drug companies. And American taxpayers are then rewarded by the drug companies by being charged the highest prices in the world, double, triple, four times what those prices are.

Mr. Speaker, it is time this Congress pass the Affordable Prescription Drug Act.

ENHANCING INFRASTRUCTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. METCALF) is recognized for 5 minutes.

Mr. METCALF. Mr. Speaker, citizens chronically complain about the state of America's public capital, about the dilapidated school buildings, condemned highway bridges, contaminated water supplies, and other shortcomings of the public infrastructure. In addition to inflicting inconvenience and endangering health, the inadequacy of the public infrastructure adversely affects productivity and the growth of the economy. Public investment, private investment, and productivity are intimately linked.

For more than two decades, Washington has retreated from public investment as costs of entitlements and of the interest payable on rapidly rising debt have mounted dramatically. State and local governments, albeit to a lesser extent, have also slowed investment. Their taxpayers became more frequently reluctant to approve bond issues to finance infrastructure. Whereas in the early 1970s, nondefense public investment accounted for 3.2 percent of the GDP, it now accounts for only 2.5 percent.

Widespread neglect of maintenance has contributed substantially to the failure of the stock of public capital assets to keep pace with the Nation's needs.

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For instance, the real nondefense public capital stock expanded in the past decades by a pace only half that set in the earlier postwar World War II period.

Evidence of failures to maintain and improve infrastructure is seen every day in such problems as unsafe bridges, urban decay, dilapidated and overcrowded schools, and inadequate airports.

The General Accounting Office study finds that education is seriously handicapped by deteriorating school buildings and that an investment of \$110 billion is needed to bring them up to minimally accepted conditions. These problems take a toll in less visible and perhaps even more important ways, in unsatisfactory gains in private sector productivity, and a diminished rise in real income for the Nation at large, seemingly endless traffic jams, disruption to commuter rail service, and backed-up airport runways. And that is everyday experiences for Americans. They spell waste and inefficiency for the economy at large.

Congestion on the Nation's highways alone cost the Nation some \$100 billion a year. Let me repeat that. Congestion on the Nation's highways alone cost the Nation some \$100 billion a year according to a Competitiveness Policy Council estimate in 1993. And that was 1993. It does not include the cost of added pollution and wear and tear on the vehicles.

That is the bad news. Now the good news. There is help on the way in the

form of legislation directly targeted for infrastructure renewal. This legislation is designed to help the Nation take a significant step toward overcoming its infrastructure deficit and promoting the productivity needed to meet the competitive challenges of the 21st century. The plan is fiscally sound. It follows the best accounting procedures of the private sector and is designed to recognize the statutes that mandate a balanced Federal budget.

In salient ways it advances sound fiscal operation. The plan would provide \$50 billion a year for mortgage loans to State and local governments for capital investments in types of projects specified by Congress and the President. These mortgage loans would be at zero interest. They would thereby cut the overall costs to local governments of the projects at least in half, depending on the prevailing interest rate for local and State taxpayers.

The principals of these loans would be paid in annual installments. Repayment would depend upon the type of project, but no mortgage would be for a period of more than 30 years. The simple fact is that the Nation is falling behind. Infrastructure improvements will enhance our economy, provide new jobs, increase safety for citizens, and help us compete in the global marketplace. This bill is necessary now to begin to rebuild our vital infrastructure as soon as possible.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. FILNER) is recognized for 5 minutes.

(Mr. FILNER addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Ms. MILLENDER-MCDONALD) is recognized for 5 minutes.

(Ms. MILLENDER-MCDONALD addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

(Mr. DAVIS of Illinois addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Ms. JACKSON-LEE) is recognized for 5 minutes.

(Ms. JACKSON-LEE of Texas addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mrs. MEEK) is recognized for 5 minutes.